

PIMCO MUNICIPAL INCOME FUND II
Form N-CSRS
January 27, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act file number: 811-21076

PIMCO Municipal Income Fund II

(Exact name of registrant as specified in charter)

1633 Broadway, New York, NY 10019

(Address of principal executive offices)

William G. Galipeau

Treasurer, Principal Financial & Accounting Officer

650 Newport Center Drive

Newport Beach, CA 92660

(Name and address of agent for service)

Copies to:

David C. Sullivan

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800 Boylston Street

Boston, MA 02199

Registrant's telephone number, including area code: (844) 337-4626

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Date of fiscal year end: May 31, 2015

Date of reporting period: November 30, 2014

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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Item 1. Reports to Shareholders.

The following is a copy of the report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30e-1).

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Your Global Investment Authority

PIMCO Closed-End Funds

Semiannual Report

November 30, 2014

PIMCO Municipal Income Fund II

PIMCO California Municipal Income Fund II

PIMCO New York Municipal Income Fund II

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Letter from the Chairman of the Board & the President

Dear Shareholder:

As previously announced on September 26, 2014, prior to the close of the reporting period, William Bill Gross, PIMCO's former chief investment officer (CIO) and co-founder, resigned from the firm. PIMCO's managing directors elected Daniel Ivascyn to serve as group chief investment officer (Group CIO). In addition, PIMCO appointed Andrew Balls, CIO Global; Mark Kiesel, CIO Global Credit; Virginie Maisonneuve, CIO Global Equities; Scott Mather, CIO U.S. Core Strategies; and Mihir Worah, CIO Real Return and Asset Allocation. As announced by PIMCO on November 3, 2014, Marc Seidner returned to the firm effective November 12, 2014, in a new role as CIO Non-Traditional Strategies and head of Portfolio Management in PIMCO's New York office. Under this leadership structure, Andrew and Mihir have additional managerial responsibility for PIMCO's Portfolio Management group and trade floor activities globally. Andrew oversees portfolio management and trade floor activities in Europe and Asia-Pacific, and Mihir oversees portfolio management and trade floor activities in the U.S. There have not been any changes to the portfolio management of PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II or PIMCO New York Municipal Income Fund II (collectively, the Funds).

Douglas Hodge, PIMCO's chief executive officer, and Jay Jacobs, PIMCO's president, continue to serve as the firm's senior executive leadership team, spearheading PIMCO's business strategy, client service and the firm's operations.

These appointments are a further evolution of the structure that PIMCO established earlier in 2014, reflecting our belief that the best approach for PIMCO's clients and our firm is an investment leadership team of seasoned, highly-skilled investors overseeing all areas of PIMCO's investment activities.

During his 43 years at PIMCO, Mr. Gross made great contributions to building the firm and delivering value to PIMCO's clients. Over this period, PIMCO developed into a global asset manager, expanding beyond core fixed income, and now encompasses over 2,400 employees across 13 offices, including more than 250 portfolio managers. Mr. Gross was also responsible for starting PIMCO's robust investment process, with a focus on long-term macroeconomic views and bottom-up security selection a process that is well institutionalized and will continue into PIMCO's future.

For the six-month reporting period ended November 30, 2014:

Municipal bonds rallied and produced positive returns during the fiscal six months ended November 30, 2014. Longer-term U.S. Treasury yields declined, whereas shorter-term yields (between two- and seven-year maturities) generally moved higher during the reporting period. Despite a number of potential headwinds, including uncertainties regarding future monetary policy and a host of geopolitical issues, investor demand for municipal securities was strong overall given improving fundamentals.

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The Barclays Municipal Bond Index gained 2.45% while the broad taxable bond market, as represented by the Barclays U.S. Aggregate Bond Index, returned 1.92% during the reporting period.

Following a period of weakness early in 2014, the U.S. economy was highly resilient and expanded at a solid pace as the year progressed. Looking back, gross domestic product (GDP), the value of goods and services produced in the country, the broadest measure of economic activity and the principal indicator of economic performance, contracted at an annual pace of 2.1% during the first quarter of 2014. However, this was a temporary setback, as the U.S. Commerce Department reported that GDP expanded at a 4.6% annual pace during the second quarter of 2014. This represented the strongest growth rate since the fourth quarter of 2011. According to the Commerce Department's estimate released on December 23, 2014, GDP expanded at an annual pace of 5.0% during the third quarter of 2014.

The Federal Reserve (the Fed) began tapering its monthly asset purchase program in January 2014. At each of its next seven meetings, the Fed announced that it would further taper its asset purchases. Following its meeting in October 2014, the Fed announced that it had concluded its asset purchases. However, the Fed again indicated that it would not raise interest rates in the near future. Finally, at its meeting in December 2014, the Fed said, "Based on its current assessment, the Committee judges that it can be patient in beginning to normalize the stance of monetary policy. The Committee sees this guidance as consistent with its previous statement that it likely will be appropriate to maintain the 0% $\frac{1}{4}$ % target range for the federal funds rate for a considerable time following the end of its asset purchase program in October, especially if projected inflation continues to run below the Committee's 2% longer-run goal, and provided that longer-term inflation expectations remain well anchored.

Outlook

PIMCO's 2015 forecast for the U.S. is for a continuation of the economic recovery. With the ongoing assistance of easy monetary policy, combined with healthy private financial sector balance sheets, we believe the U.S. economy is poised to grow between 2.5% and 3.0% in the coming calendar year. We anticipate corporate capital expenditures to accelerate on the back of rising pricing power and the expected returns on newly invested capital. We expect very gradually rising wages and product prices, which will allow the Fed to maintain its accommodative monetary policy for 2015. Potential wildcards for the economy in both the U.S. and abroad are geopolitical issues in Ukraine, the Middle East and elsewhere.

On the following pages of this PIMCO Closed-End Funds Semiannual Report, please find specific details regarding investment performance and a discussion of factors that most affected each Fund's performance over the six-month reporting period ended November 30, 2014.

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Letter from the Chairman of the Board & the President (Cont.)

Thank you for investing with us. We value your trust and will continue to work diligently to meet your investment needs. If you have questions regarding any of your PIMCO Closed-End Funds investments, please contact your financial advisor or call the Funds shareholder servicing agent at (844) 33-PIMCO (844-337-4626). We also invite you to visit our website at pimco.com/investments to learn more about our views and global thought leadership.

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess
Chairman of the Board of Trustees

Peter G. Strelow
President; Principal Executive Officer

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Important Information About the Funds

We believe that bond funds have an important role to play in a well-diversified investment portfolio. It is important to note, however, that in an environment where interest rates trend upward, rising rates would negatively impact the performance of most bond funds, and fixed-income securities held by a Fund are likely to decrease in value. A number of factors can cause interest rates to rise (e.g., central bank monetary policies, inflation rates, general economic conditions, etc.). Accordingly, changes in interest rates can be sudden, and there is no guarantee that Fund Management will anticipate such movement.

As of the date of this report, interest rates in the U.S. are at or near historically low levels. As such, bond funds may currently face an increased exposure to the risks associated with rising interest rates. This is especially true since the Federal Reserve Board has concluded its quantitative easing program. Further, while the U.S. bond market has steadily grown over the past three decades, dealer inventories of corporate bonds have remained relatively stagnant. As a result, there has been a significant reduction in the ability of dealers to "make markets" in corporate bonds. All of the factors mentioned above, individually or collectively, could lead to increased volatility and/or lower liquidity in the fixed income markets, which could result in increased losses to a Fund. Bond funds and individual bonds with a longer duration (a measure of the sensitivity of a security's price to changes in interest rates) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities or funds with shorter durations. In addition, in the current low interest rate environment, the market price of the Funds' common shares may be particularly sensitive to changes in interest rates or the perception that there will be a change in interest rates.

The use of derivatives may subject the Funds to greater volatility than investments in traditional securities. The Funds may use derivative instruments for hedging purposes or as part of an investment strategy. Use of these instruments may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk and the risk that a Fund could not close out a position when it would be most advantageous to do so. Certain derivative transactions may have a leveraging effect on a Fund. For example, a small investment in a derivative instrument may have a significant impact on a Fund's exposure to interest rates, currency exchange rates or other investments. As a result, a relatively small price movement in a derivative instrument may cause an immediate and substantial loss or gain, which translates into heightened volatility in a Fund's net asset value. A Fund may engage in such transactions regardless of whether the Fund owns the asset, instrument or components of the index underlying a derivative instrument. A Fund may invest a significant portion of its assets in these types of instruments. If it does, a Fund's investment exposure could far exceed the value of its portfolio securities and its investment performance could be primarily dependent upon securities it does not directly own.

A Fund's use of leverage creates the opportunity for increased income for the Fund's common shareholders, but also creates special risks. Leverage is a speculative technique that may expose a Fund to greater risk and increased costs. If shorter-term interest rates rise relative to the rate of return on a Fund's portfolio, the interest and other costs to the Fund of leverage could exceed the rate of return on the debt obligations and other investments held by the Fund, thereby reducing return to the Fund's common shareholders. In addition, fees and expenses of any form of leverage used by a Fund will be borne entirely by its common shareholders (and not by preferred shareholders, if any) and will reduce the investment return of the Fund's common shares. There can be no assurance that a Fund's use of leverage will result in a higher yield on its common shares, and it may result in losses. Leverage creates several major types of risks for a Fund's common shareholders, including: (1) the likelihood of greater volatility of net asset value and market price of the Fund's common shares, and of the investment return to the Fund's common shareholders, than a comparable portfolio without leverage; (2) the possibility either that the Fund's common share dividends will fall if the interest and other costs of leverage rise, or that dividends paid on the Fund's common shares will fluctuate because such costs vary over time; and (3) the effects of leverage in a

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Important Information About the Funds (Cont.)

declining market or a rising interest rate environment, as leverage is likely to cause a greater decline in the net asset value of the Fund's common shares than if the Fund were not leveraged and may result in a greater decline in the market value of the Fund's common shares.

There is a risk that a Fund investing in a tender option bond program will not be considered the owner of a tender option bond for federal income tax purposes, and thus will not be entitled to treat such interest as exempt from federal income tax. Certain tender option bonds may be illiquid or may become illiquid as a result of, among other things, a credit rating downgrade, a payment default or a disqualification from tax-exempt status. Regulators recently finalized rules implementing Section 619 (the Volcker Rule) and Section 941 (the Risk Retention Rules) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Both the Volcker Rule and the Risk Retention Rules apply to tender option bond programs and may require that such programs be restructured. The results of these rules are not certain, and there can be no assurance that appropriate restructuring of existing trusts will be possible or that the creation of new trusts will continue. Because of the role that tender option bond programs play in the municipal bond market, it is possible that implementation of these rules may adversely impact the municipal bond market. For example, as a result of the implementation of these rules, the municipal bond market may experience reduced demand or liquidity and increased financing costs. A Fund's investment in the securities issued by a tender option bond trust may involve greater risk and volatility than an investment in a fixed rate bond, and the value of such securities may decrease significantly when market interest rates increase. Tender option bond trusts could be terminated due to market, credit or other events beyond the Funds' control, which could require the Funds to reduce leverage and dispose of portfolio investments at inopportune times and prices. A Fund may use a tender option bond program as a way of achieving leverage in its portfolio, in which case the Fund will be subject to leverage risk.

High-yield bonds (commonly referred to as junk bonds) typically have a lower credit rating than other bonds. Lower-rated bonds generally involve a greater risk to principal than higher-rated bonds. Further, markets for lower-rated bonds are typically less liquid than for higher-rated bonds, and public information is usually less abundant in such markets. Thus, high-yield investments increase the chance that a Fund will lose money. Mortgage-Related and Asset-Backed Securities represent ownership interests in pools of mortgages or other assets such as consumer loans or receivables. As a general matter, Mortgage-Related and Asset-Backed Securities are subject to interest rate risk, extension risk, prepayment risk, and credit risk. These risks largely stem from the fact that returns on Mortgage-Related and Asset-Backed Securities depend on the ability of the underlying assets to generate cash flow.

The common shares of the Funds trade on the New York Stock Exchange. As with any stock, the price of a Fund's common shares will fluctuate with market conditions and other factors. If you sell your common shares of a Fund, the price received may be more or less than your original investment. Shares of closed-end management investment companies frequently trade at a discount from their net asset value. The common shares of a Fund may trade at a price that is less than the initial offering price and/or the net asset value of such shares.

The Funds may be subject to various risks in addition to those described above. Some of these risks may include, but are not limited to, the following: asset allocation risk, credit risk, stressed securities risk, distressed and defaulted securities risk, corporate bond risk, market risk, issuer risk, liquidity risk, equity securities and related market risk, mortgage-related and other asset-backed securities risk, extension risk, prepayment risk, privately issued mortgage-related securities risk, mortgage market/subprime risk, foreign (non-U.S.) investment risk, emerging markets risk, currency risk, redenomination risk, non-diversification risk, management risk, municipal bond risk, tender option bond risk, inflation-indexed security risk, senior debt risk, loans, participations and assignments risk, reinvestment risk, real estate risk, U.S. Government securities risk, foreign (non-U.S.) government

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securities risk, valuation risk, segregation and cover risk, focused investment risk, credit default swaps risk, event-linked securities risk, counterparty risk, preferred securities risk, confidential information access risk, other investment companies risk, private placements risk, inflation/deflation risk, regulatory risk, tax risk, recent economic conditions risk, market disruptions and geopolitical risk, potential conflicts of interest involving allocation of investment opportunities, repurchase agreements risk, securities lending risk, zero-coupon bond and payment-in-kind securities risk, portfolio turnover risk, smaller company risk, short sale risk and convertible securities risk. A description of certain of these risks is available in the Notes to Financial Statements of this Report.

On each individual Fund Summary page in this Shareholder Report the Common Share Average Annual Total Return table and Common Share Cumulative Return (if applicable) measure performance assuming that all dividend and capital gain distributions were reinvested. Total return is calculated by determining the percentage change in NAV or market price (as applicable) in the specified period. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions. Total return for a period of more than one year represents the average annual total return. Performance at market price will differ from results at NAV. Although market price returns tend to reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Fund, market conditions, supply and demand for the Fund's shares, or changes in the Fund's dividends. Performance shown is net of fees and expenses.

The following table discloses the commencement of operations of each Fund:

Fund Name	Commencement of Operations
PIMCO Municipal Income Fund II	06/28/02
PIMCO California Municipal Income Fund II	06/28/02
PIMCO New York Municipal Income Fund II	06/28/02

An investment in a Fund is not a deposit of a bank and is not guaranteed or insured by the Federal Deposit Insurance Corporation or any other government agency. It is possible to lose money on investments in the Funds.

PIMCO has adopted written proxy voting policies and procedures (Proxy Policy) as required by Rule 206(4)-6 under the Investment Advisers Act of 1940. The Proxy Policy has been adopted by the Funds as the policies and procedures that PIMCO will use when voting proxies on behalf of the Funds. A description of the policies and procedures that PIMCO uses to vote proxies relating to portfolio securities of each Fund, and information about how each Fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, are available without charge, upon request, by calling the Funds at (844) 33-PIMCO (844-337-4626), on the Funds' website at www.pimco.com/investments, and on the Securities and Exchange Commission's (SEC) website at <http://www.sec.gov>.

Each Fund files a complete schedule of its portfolio holdings with the SEC for the first and third quarters of its fiscal year on Form N-Q. A copy of each Fund's Form N-Q is available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C., and is available without charge, upon request by calling the Funds at (844) 33-PIMCO (844-337-4626) and on the Funds' website at www.pimco.com/investments. Updated portfolio holdings information about a Fund will be available at www.pimco.com/closedendfunds approximately 15 calendar days after such Fund's most recent fiscal quarter end, and will remain accessible until such Fund files a Form N-Q or a shareholder report for the period which includes the date of the information. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

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PIMCO Municipal Income Fund II

Symbol on NYSE - **PML**

Allocation Breakdown

Texas	13.4%
New York	13.3%
California	13.1%
Arizona	8.1%
Illinois	5.7%
Pennsylvania	5.5%
Ohio	5.3%
Florida	5.2%
Other	30.4%

% of Investments, at value as of 11/30/14

Fund Information (as of November 30, 2014)⁽¹⁾

Market Price	\$11.90
NAV	\$12.23
Premium/(Discount) to NAV	(2.70%)
Market Price Distribution Yield ⁽²⁾	6.55%
NAV Distribution Yield ⁽²⁾	6.38%
Regulatory Leverage Ratio ⁽³⁾	35.48%

Average Annual Total Return for the period ended November 30, 2014

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/28/02)
Market Price	0.40%	20.50%	9.97%	5.21%	5.07%
NAV	5.82%	19.67%	11.44%	5.30%	5.71%

All Fund returns are net of fees and expenses.

* Cumulative return

- (1) Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit www.pimco.com or call (844) 33-PIMCO.
- (2) Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each January.
- (3) Represents regulatory leverage outstanding, as a percentage of total managed assets. Regulatory leverage may include preferred shares, tender option bond transactions, reverse repurchase agreements, and other borrowings (collectively "Leverage"). Total managed assets refer to total assets (including assets attributable to Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Leverage).

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Portfolio Insights

- » The municipal bond market generally generated positive results during the six-month reporting period ended November 30, 2014. The municipal bond market, as measured by Barclays Municipal Bond Index, posted positive returns during all six months of the reporting period. Supporting the municipal market were generally improving fundamentals, attractive valuations and falling longer-term interest rates. In addition, investor demand for municipal securities was largely solid. All told, the municipal market gained 2.45% during the six months ended November 30, 2014. In comparison, the overall taxable fixed income market, as measured by Barclays U.S. Aggregate Bond Index, gained 1.91% during the same period, while Barclays Municipal Long Bond Index (the Index) returned 3.94%.

- » The fund's overweight duration position relative to the Index contributed to performance as municipal yields moved lower across most portions of the curve. The fund's overweight exposures to the Revenue-Backed and Health Care sectors were beneficial for results as both sectors outperformed the municipal bond market.

- » The fund's underweight exposures to the Transportation, Education, and Water and Sewer sectors detracted from results, as all sectors outperformed the municipal bond market.

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PIMCO California Municipal Income Fund II

Symbol on NYSE - **PCK**

Allocation Breakdown

California	93.3%
Rhode Island	2.3%
Short-Term Instruments	3.0%
New Jersey	0.7%
New York	0.7%

% of Investments, at value as of 11/30/14

Fund Information (as of November 30, 2014)⁽¹⁾

Market Price	\$9.61
NAV	\$8.83
Premium/(Discount) to NAV	8.83%
Market Price Distribution Yield ⁽²⁾	6.71%
NAV Distribution Yield ⁽²⁾	7.30%
Regulatory Leverage Ratio ⁽³⁾	41.84%

Average Annual Total Return for the period ended November 30, 2014

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/28/02)
Market Price	4.61%	13.20%	10.57%	3.91%	3.85%
NAV	6.46%	23.99%	12.63%	3.58%	4.04%

All Fund returns are net of fees and expenses.

*Cumulative return

- (1) Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit www.pimco.com or call (844) 33-PIMCO.
- (2) Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each January.
- (3) Represents regulatory leverage outstanding, as a percentage of total managed assets. Regulatory leverage may include preferred shares, tender option bond transactions, reverse repurchase agreements, and other borrowings (collectively "Leverage"). Total managed assets refer to total assets (including assets attributable to Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Leverage).

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Portfolio Insights

- » The municipal bond market generally generated positive results during the six-month reporting period ended November 30, 2014. The municipal bond market, as measured by Barclays Municipal Bond Index, posted positive returns during all six months of the reporting period. Supporting the municipal market were generally improving fundamentals, attractive valuations and falling longer-term interest rates. In addition, investor demand for municipal securities was largely solid. All told, the municipal market gained 2.45% during the six months ended November 30, 2014. In comparison, the overall taxable fixed income market, as measured by Barclays U.S. Aggregate Bond Index, gained 1.91% during the same period, while Barclays AMT-Free California Long Municipal Index (the Index) returned 4.43%.

- » The fund's overweight duration position relative to the Index contributed to performance as municipal yields moved lower across most portions of the curve. The fund's overweight exposures to the Revenue-Backed and Health Care sectors were beneficial for results as both sectors outperformed the municipal bond market.

- » The fund's underweight exposures to the Water and Sewer and Education sectors detracted from results, as both sectors outperformed the municipal bond market. Select exposure to the Lease-Backed sector detracted from results versus the Index.

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PIMCO New York Municipal Income Fund II

Symbol on NYSE - PNI

Allocation Breakdown

New York	93.9%
Ohio	3.2%
Short-Term Instruments	1.3%
Florida	0.6%
Louisiana	0.5%
Other	0.5%

% of Investments, at value as of 11/30/14
Fund Information (as of November 30, 2014)⁽¹⁾

Market Price	\$11.98
NAV	\$11.35
Premium/(Discount) to NAV	5.55%
Market Price Distribution Yield ⁽²⁾	6.64%
NAV Distribution Yield ⁽²⁾	7.00%
Regulatory Leverage Ratio ⁽³⁾	41.11%

Average Annual Total Return for the period ended November 30, 2014

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/28/02)
Market Price	3.35%	23.72%	9.59%	5.16%	5.07%
NAV	7.16%	22.17%	9.76%	5.03%	5.13%

All Fund returns are net of fees and expenses.

* Cumulative return

- (1) Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit www.pimco.com or call (844) 33-PIMCO.
- (2) Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each January.
- (3) Represents regulatory leverage outstanding, as a percentage of total managed assets. Regulatory leverage may include preferred shares, tender option bond transactions, reverse repurchase agreements, and other borrowings (collectively Leverage). Total managed assets refer to total assets (including assets attributable to Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Leverage).

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Portfolio Insights

- » The municipal bond market generally generated positive results during the six-month reporting period ended November 30, 2014. The municipal bond market, as measured by Barclays Municipal Bond Index, posted positive returns during all six months of the reporting period. Supporting the municipal market were generally improving fundamentals, attractive valuations and falling longer-term interest rates. In addition, investor demand for municipal securities was largely solid. All told, the municipal market gained 2.45% during the six months ended November 30, 2014. In comparison, the overall taxable fixed income market, as measured by Barclays U.S. Aggregate Bond Index, gained 1.91% during the same period, while Barclays AMT-Free New York Long Municipal Bond Index (the Index) returned 4.23%.

- » The fund's overweight duration position relative to the Index contributed to performance as municipal yields moved lower across most portions of the curve. The fund's overweight exposures to the Revenue-Backed and Industrial Revenue sectors were beneficial for results as both sectors outperformed the municipal bond market.

- » The fund's underweight exposure to the Water and Sewer sector detracted from results, as it outperformed the municipal bond market. Select exposure to the Special Tax and Electric Utility sectors detracted from results versus the Index.

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Selected Per Common Share Data for the Year or Period Ended:	Net Asset Value Beginning of Year or Period	Net Investment Income ^(a)	Net Realized/Unrealized Gain (Loss)	Net Increase in Net Assets Resulting from Investment Operations	Dividends on Preferred Shares from Net Investment Income	Net Increase (Decrease) in Net Assets Applicable to Common Shareholders Resulting from Investment Operations	Distributions to Common Shareholders from Net Investment Income	Tax Basis Return of Capital
PIMCO Municipal Income Fund II								
11/30/2014+	\$ 11.94	\$ 0.40	\$ 0.28	\$ 0.68	\$ (0.00) [^]	\$ 0.68	\$ (0.39)	\$ 0.00
05/31/2014	12.17	0.81	(0.25)	0.56	(0.01)	0.55	(0.78)	0.00
05/31/2013	11.91	0.82	0.23	1.05	(0.01)	1.04	(0.78)	0.00
05/31/2012	10.12	0.88	1.70	2.58	(0.01)	2.57	(0.78)	0.00
05/31/2011	10.77	0.91	(0.75)	0.16	(0.03)	0.13	(0.78)	0.00
05/31/2010	8.97	0.88	1.73	2.61	(0.03)	2.58	(0.78)	0.00
PIMCO California Municipal Income Fund II								
11/30/2014+	\$ 8.61	\$ 0.34	\$ 0.20	\$ 0.54	\$ (0.00) [^]	\$ 0.54	\$ (0.32)	\$ 0.00
05/31/2014	8.93	0.68	(0.26)	0.42	(0.01)	0.41	(0.66)	(0.07)
05/31/2013	8.65	0.69	0.35	1.04	(0.01)	1.03	(0.68)	(0.07)
05/31/2012	7.38	0.71	1.32	2.03	(0.01)	2.02	(0.70)	(0.05)
05/31/2011	8.11	0.74	(0.70)	0.04	(0.02)	0.02	(0.75)	0.00
05/31/2010	7.48	0.76	0.67	1.43	(0.03)	1.40	(0.77)	0.00
PIMCO New York Municipal Income Fund II								
11/30/2014+	\$ 10.98	\$ 0.37	\$ 0.40	\$ 0.77	\$ (0.00) [^]	\$ 0.77	\$ (0.40)	\$ 0.00
05/31/2014	11.32	0.75	(0.28)	0.47	(0.01)	0.46	(0.80)	0.00
05/31/2013	11.37	0.79	(0.02)	0.77	(0.02)	0.75	(0.80)	0.00
05/31/2012	10.10	0.85	1.24	2.09	(0.02)	2.07	(0.80)	0.00
05/31/2011	10.90	0.88	(0.85)	0.03	(0.03)	0.00	(0.80)	0.00
05/31/2010	9.56	0.98	1.19	2.17	(0.03)	2.14	(0.80)	0.00

+ Unaudited

* Annualized

[^] Reflects an amount rounding to less than 0.005.^(a) Per share amounts based on average number of common shares outstanding during the year or period.^(b) Total investment return is calculated assuming a purchase of a common share at the market price on the first day and a sale of a common share at the market price on the last day of each year or period reported. Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions in connection with the purchase or sale of Fund shares.^(c) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.^(d) Interest expense relates to the liability for Floating Rate Notes issued in connection with Inverse Floater transactions and/or participation in reverse repurchase agreement transactions. See Note 5(b) in the Notes to Financial Statements for more information.**14 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

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(Unaudited)

Total Distributions to Common Shareholders	Net Asset Value End of Year or Period	Market Price End of Year or Period	Total Investment Return (b)	Net Assets Applicable to Common Shareholders End of Year or Period (000s)	Ratio of Expenses to Average Net Assets (c)(d)	Ratio of Expenses to Average Net Assets Excluding Interest Waivers (e)	Ratio of Expenses to Average Net Assets Excluding Interest Waivers (e)	Ratio of Expenses to Average Net Assets Excluding Interest Waivers (e)	Ratio of Net Investment Income to Average Net Assets (c)	Preferred Shares Coverage Per Share	Portfolio Turnover Rate
\$ (0.39)	\$ 12.23	\$ 11.90	0.40%	\$ 748,107	1.16%*	1.16%*	1.12%*	1.12%*	6.64%*	\$ 75,960	2%
(0.78)	11.94	12.25	7.76	730,088	1.21	1.21	1.16	1.16	7.22	74,733	16
(0.78)	12.17	12.19	3.41	741,368	1.16	1.17	1.11	1.12	6.74	75,501	16
(0.78)	11.91	12.54	28.70	722,161	1.19	1.26	1.11	1.18	8.04	74,192	26
(0.78)	10.12	10.45	1.30	610,800	1.37	1.37	1.24	1.24	8.80	66,606	21
(0.78)	10.77	11.12	25.49	645,589	1.38	1.38	1.24	1.24	8.77	68,974	6
\$ (0.32)	\$ 8.83	\$ 9.61	4.61%	\$ 280,598	1.33%*	1.33%*	1.23%*	1.23%*	7.72%*	\$ 68,036	1%
(0.73)	8.61	9.52	(1.76)	273,289	1.41	1.41	1.30	1.30	8.51	66,915	14
(0.75)	8.93	10.51	11.41	282,181	1.34	1.35	1.23	1.24	7.65	68,279	13
(0.75)	8.65	10.15	19.59	272,570	1.44	1.52	1.24	1.32	8.99	66,804	25
(0.75)	7.38	9.21	7.53	231,486	1.55	1.55	1.37	1.37	9.73	60,503	15
(0.77)	8.11	9.33	16.44	252,816	1.56	1.56	1.33	1.33	9.78	63,773	9
\$ (0.40)	\$ 11.35	\$ 11.98	3.35%	\$ 124,886	1.40%*	1.40%*	1.34%*	1.34%*	6.71%*	\$ 64,520	2%
(0.80)	10.98	12.01	7.83	120,520	1.51	1.51	1.45	1.45	7.30	63,139	5
(0.80)	11.32	12.01	4.14	123,685	1.42	1.43	1.33	1.34	6.78	64,140	25
(0.80)	11.37	12.29	20.97	123,667	1.45	1.53	1.36	1.44	7.86	64,135	18
(0.80)	10.10	10.92	3.03	109,256	1.55	1.55	1.44	1.44	8.46	59,574	7
(0.80)	10.90	11.42	19.92	117,161	1.53	1.53	1.43	1.43	9.51	62,073	5

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Table of Contents**Statements of Assets and Liabilities**

(Unaudited)

November 30, 2014

(Amounts in thousands, except per share amounts)	PIMCO Municipal Income Fund II	PIMCO California Municipal Income Fund II	PIMCO New York Municipal Income Fund II
Assets:			
<i>Investments, at value</i>			
Investments in securities*	\$ 1,149,647	\$ 476,419	\$ 209,744
Cash	554	567	514
Receivable for investments sold	219	0	0
Interest receivable	18,392	7,561	2,976
Other assets	38	36	18
	1,168,850	484,583	213,252
Liabilities:			
<i>Borrowings & Other Financing Transactions</i>			
Payable for floating rate notes issued	\$ 44,388	\$ 38,863	\$ 8,195
Payable for investments purchased	4,322	0	0
Distributions payable to common shareholders	3,978	1,707	729
Dividends payable to preferred shareholders	5	2	1
Accrued management fees	625	256	123
Other liabilities	425	157	318
	53,743	40,985	9,366
Preferred Shares (\$0.00001 par value and \$25,000 liquidation preference per share applicable to an aggregate of 14,680, 6,520, and 3,160 shares issued and outstanding, respectively)	367,000	163,000	79,000
Net Assets Applicable to Common Shareholders	\$ 748,107	\$ 280,598	\$ 124,886
Composition of Net Assets Applicable to Common Shareholders:			
<i>Common Shares:</i>			
Par value (\$0.00001 per share)	\$ 1	\$ 0	\$ 0
Paid in capital	809,386	410,733	148,699
Undistributed (overdistributed) net investment income	24,554	(1,367)	835
Accumulated net realized (loss)	(195,056)	(192,094)	(43,076)
Net unrealized appreciation	109,222	63,326	18,428
	\$ 748,107	\$ 280,598	\$ 124,886
Common Shares Issued and Outstanding	61,192	31,769	11,005
Net Asset Value Per Common Share	\$ 12.23	\$ 8.83	\$ 11.35
Cost of Investments in Securities	\$ 1,040,419	\$ 413,093	\$ 191,299
* Includes repurchase agreements of:	\$ 0	\$ 4,000	\$ 0

Amount is less than \$500.

Table of Contents**Statements of Operations**

Six Months Ended November 30, 2014 (Unaudited)

(Amounts in thousands)	PIMCO Municipal Income Fund II	PIMCO California Municipal Income Fund II	PIMCO New York Municipal Income Fund II
Investment Income:			
Interest	\$ 28,717	\$ 12,498	\$ 4,965
Total Income	28,717	12,498	4,965
Expenses:			
Management fees	3,682	1,486	696
Auction agent fees and commissions	288	134	66
Interest expense	162	138	37
Trustee fees and related expenses	31	12	6
Auction rate preferred shares related expenses	7	7	7
Miscellaneous expense	2	1	1
Operating expenses pre-transition ^(a)			
Custodian and accounting agent	39	21	16
Audit and tax services	13	11	10
Shareholder communications	13	6	4
New York Stock Exchange listing	16	8	7
Transfer agent	7	6	7
Legal	5	2	1
Insurance	6	3	2
Total Expenses	4,271	1,835	860
Net Investment Income	24,446	10,663	4,105
Net Realized Gain (Loss):			
Investments in securities	(57)	65	54
Net Realized Gain (Loss)	(57)	65	54
Net Change in Unrealized Appreciation:			
Investments in securities	17,053	6,493	4,353
Net Change in Unrealized Appreciation	17,053	6,493	4,353
Net Gain	16,996	6,558	4,407
Net Increase in Net Assets Resulting from Investment Operations	41,442	17,221	8,512
Dividends on Preferred Shares from Net Investment Income	(189)	(84)	(40)
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Investment Operations	\$ 41,253	\$ 17,137	\$ 8,472

^(a) These expenses were incurred by the Fund prior to the close of business on September 5, 2014. Subsequent to the close of business on September 5, 2014, any such operating expenses are borne by PIMCO.

Table of Contents**Statements of Changes in Net Assets**

(Amounts in thousands)	PIMCO	
	Six Months Ended	Year Ended
	November 30, 2014	May 31, 2014
	(Unaudited)	
Increase (Decrease) in Net Assets from:		
Operations:		
Net investment income	\$ 24,446	\$ 49,179
Net realized gain (loss)	(57)	(3,169)
Net change in unrealized appreciation (depreciation)	17,053	(11,994)
Net increase resulting from operations	41,442	34,016
Dividends on Preferred Shares from Net Investment Income	(189)	(426)
Net increase in net assets applicable to common shareholders resulting from operations	41,253	33,590
Distributions to Common Shareholders**:		
From net investment income	(23,863)	(47,596)
Tax basis return of capital	0	0
Total Distributions to Common Shareholders	(23,863)	(47,596)
Common Share Transactions:		
Issued as reinvestment of distributions	629	2,726
Total Increase (Decrease) in Net Assets	18,019	(11,280)
Net Assets Applicable to Common Shareholders:		
Beginning of period	730,088	741,368
End of period*	\$ 748,107	\$ 730,088
* Including undistributed (overdistributed) net investment income of:	\$ 24,554	\$ 24,160
** Common Share Transactions:		
Shares issued as reinvestment of distributions	52	243

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PIMCO California Municipal Income Fund II		PIMCO New York Municipal Income Fund II	
Six Months Ended November 30, 2014 (Unaudited)	Year Ended May 31, 2014	Six Months Ended November 30, 2014 (Unaudited)	Year Ended May 31, 2014
\$ 10,663	\$ 21,384	\$ 4,105	\$ 8,148
65	(3,108)	54	(309)
6,493	(4,794)	4,353	(2,765)
17,221	13,482	8,512	5,074
(84)	(190)	(40)	(91)
17,137	13,292	8,472	4,983
(10,239)	(20,949)	(4,370)	(8,711)
0	(2,253)	0	0
(10,239)	(23,202)	(4,370)	(8,711)
411	1,018	264	563
7,309	(8,892)	4,366	(3,165)
273,289	282,181	120,520	123,685
\$ 280,598	\$ 273,289	\$ 124,886	\$ 120,520
\$ (1,367)	\$ (1,707)	\$ 835	\$ 1,140
46	113	24	54

Table of Contents**Schedule of Investments PIMCO Municipal Income Fund II**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 153.7%		
MUNICIPAL BONDS & NOTES 151.2%		
ALABAMA 4.5%		
Alabama Docks Department State Revenue Bonds, Series 2010		
6.000% due 10/01/2040	\$ 2,000	\$ 2,297
Birmingham-Baptist Medical Centers Special Care Facilities Financing Authority, Alabama Revenue Bonds, Series 2005		
5.000% due 11/15/2030	1,000	1,011
Jefferson County, Alabama Sewer Revenue Bonds, Series 2013		
0.000% due 10/01/2050 (b)	21,000	12,472
6.500% due 10/01/2053	16,000	18,100
		33,880
ARIZONA 12.5%		
Arizona Health Facilities Authority Revenue Bonds, Series 2008		
5.000% due 01/01/2035	3,500	3,735
5.500% due 01/01/2038	2,860	3,095
Industrial Development Authority of the County, Arizona of Pima Revenue Bonds, Series 2008		
5.000% due 09/01/2039	29,700	31,855
Industrial Development Authority of the County, Arizona of Pima Revenue Bonds, Series 2010		
5.250% due 10/01/2040	1,500	1,632
Pinal County, Arizona Electric District No. 3 Revenue Bonds, Series 2011		
5.250% due 07/01/2036	1,750	1,972
5.250% due 07/01/2041	3,700	4,135
Salt River Project Agricultural Improvement & Power District, Arizona Revenue Bonds, Series 2009		
5.000% due 01/01/2039 (c)	10,000	11,123
Salt Verde Financial Corp., Arizona Revenue Bonds, Series 2007		
5.000% due 12/01/2032	9,000	10,221
5.000% due 12/01/2037	22,400	25,565
		93,333
CALIFORNIA 20.1%		
Bay Area Toll Authority, California Revenue Bonds, Series 2008		
5.000% due 04/01/2034	1,430	1,633
Bay Area Toll Authority, California Revenue Bonds, Series 2010		
5.000% due 10/01/2029	6,000	6,798
Bay Area Toll Authority, California Revenue Bonds, Series 2013		
5.250% due 04/01/2048	5,000	5,697
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
California Health Facilities Financing Authority Revenue Bonds, (NPFGC/IBC Insured), Series 2007		
5.000% due 11/15/2042	\$ 6,300	\$ 6,726
California Health Facilities Financing Authority Revenue Bonds, Series 2010		
5.000% due 11/15/2036	1,500	1,694
9.539% due 11/15/2036 (d)	5,000	6,320

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California Health Facilities Financing Authority Revenue Bonds, Series 2011		
6.000% due 08/15/2042	3,000	3,595
California Municipal Finance Authority Revenue Bonds, Series 2011		
7.750% due 04/01/2031	2,875	3,526
California State General Obligation Bonds, Series 2007		
5.000% due 11/01/2032	2,925	3,204
5.000% due 06/01/2037	1,590	1,712
California State General Obligation Bonds, Series 2008		
5.125% due 08/01/2036	5,200	5,757
5.250% due 03/01/2038	2,500	2,728
California State General Obligation Bonds, Series 2009		
6.000% due 04/01/2038	9,500	11,194
California State General Obligation Bonds, Series 2010		
5.250% due 11/01/2040	5,945	6,817
5.500% due 03/01/2040	5,750	6,580
California Statewide Communities Development Authority Revenue Bonds, (FHA Insured), Series 2009		
6.625% due 08/01/2029	4,890	5,950
6.750% due 02/01/2038	17,415	20,924
California Statewide Communities Development Authority Revenue Bonds, Series 2007		
5.750% due 11/01/2017	1,935	2,126
California Statewide Communities Development Authority Revenue Bonds, Series 2010		
5.000% due 11/01/2040	1,000	1,094
California Statewide Communities Development Authority Revenue Bonds, Series 2011		
5.000% due 12/01/2041	1,000	1,103
6.000% due 08/15/2042	5,690	6,819
6.500% due 11/01/2021	630	726
Hayward Unified School District, California General Obligation Bonds, Series 2008		
5.000% due 08/01/2033	2,000	2,122
Indian Wells Redevelopment Agency, California Tax Allocation Bonds, (AMBAC Insured), Series 2006		
4.750% due 09/01/2034	1,500	1,532
Los Angeles Community College District, California General Obligation Bonds, (FGIC Insured), Series 2007		
5.000% due 08/01/2032	2,000	2,190

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(Unaudited)

November 30, 2014

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Los Angeles Department of Water & Power, California Revenue Bonds, (AMBAC Insured), Series 2007		
5.000% due 07/01/2039	\$ 4,000	\$ 4,337
Los Angeles Unified School District, California General Obligation Bonds, (AMBAC Insured), Series 2005		
5.000% due 07/01/2030	5,000	5,140
M-S-R Energy Authority, California Revenue Bonds, Series 2009		
6.500% due 11/01/2039	1,750	2,395
Montebello Unified School District, California General Obligation Bonds, (AGM Insured), Series 2008		
5.000% due 08/01/2033	2,000	2,208
Newport Beach, California Revenue Bonds, Series 2011		
5.875% due 12/01/2030	3,000	3,818
Peralta Community College District, California General Obligation Bonds, Series 2009		
5.000% due 08/01/2039	500	559
San Diego County, California Water Authority Certificates of Participation Bonds, (AGM Insured), Series 2008		
5.000% due 05/01/2038	2,000	2,188
San Marcos Unified School District, California General Obligation Bonds, Series 2011		
5.000% due 08/01/2038	3,300	3,645
Santa Clara County, California Financing Authority Revenue Bonds, (AMBAC Insured), Series 2007		
5.750% due 02/01/2041	2,000	2,188
Torrance, California Revenue Bonds, Series 2010		
5.000% due 09/01/2040	4,725	5,073
		150,118
COLORADO 2.3%		
Aurora, Colorado Revenue Bonds, Series 2010		
5.000% due 12/01/2040	5,800	6,256
Colorado Health Facilities Authority Revenue Bonds, Series 2007		
5.900% due 08/01/2037	1,000	1,008
Colorado Health Facilities Authority Revenue Bonds, Series 2010		
5.000% due 01/01/2040	6,045	6,628
Denver Health & Hospital Authority, Colorado Revenue Bonds, Series 2010		
5.625% due 12/01/2040	1,000	1,104
Public Authority for Colorado Energy Revenue Bonds, Series 2008		
6.500% due 11/15/2038	1,430	1,972
		16,968
CONNECTICUT 0.3%		
Connecticut State Health & Educational Facility Authority Revenue Bonds, Series 2011		
5.000% due 07/01/2041	\$ 1,000	\$ 1,081
Harbor Point Infrastructure Improvement District, Connecticut Tax Allocation Bonds, Series 2010		
7.875% due 04/01/2039	1,250	1,494
		2,575

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FLORIDA 8.0%

Brevard County, Florida Health Facilities Authority Revenue Bonds, Series 2009		
7.000% due 04/01/2039	1,000	1,171
Broward County, Florida Airport System Revenue Bonds, Series 2009		
5.375% due 10/01/2029	600	689
Broward County, Florida Airport System Revenue Bonds, Series 2012		
5.000% due 10/01/2042	12,100	13,281
Broward County, Florida Water & Sewer Utility Revenue Bonds, Series 2009		
5.250% due 10/01/2034 (c)	8,500	9,637
Clearwater, Florida Water & Sewer Revenue Bonds, Series 2009		
5.250% due 12/01/2039	1,000	1,136
Florida Development Finance Corp. Revenue Notes, Series 2011		
6.500% due 06/15/2021	320	345
Florida State General Obligation Bonds, Series 2009		
5.000% due 06/01/2038 (c)	7,900	8,864
Highlands County, Florida Health Facilities Authority Revenue Bonds, Series 2005		
5.000% due 11/15/2031	1,830	1,873
Highlands County, Florida Health Facilities Authority Revenue Bonds, Series 2008		
5.625% due 11/15/2037	3,000	3,432
Leesburg, Florida Revenue Bonds, Series 2002		
5.500% due 07/01/2032	3,000	3,001
Orlando-Orange County, Florida Expressway Authority Revenue Bonds, Series 2010		
5.000% due 07/01/2040	10,000	10,987
Sarasota County, Florida Health Facilities Authority Revenue Bonds, Series 2007		
5.750% due 07/01/2037	500	502
Sumter Landing Community Development District, Florida Revenue Bonds, (NPFGC Insured), Series 2005		
4.750% due 10/01/2035	5,000	5,005
		59,923

See Accompanying Notes

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Table of Contents**Schedule of Investments PIMCO Municipal Income Fund II (Cont.)**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
GEORGIA 0.6%		
Atlanta Department of Aviation, Georgia Revenue Bonds, Series 2010		
5.000% due 01/01/2040	\$ 1,500	\$ 1,665
Medical Center Hospital Authority, Georgia Revenue Bonds, Series 2007		
5.250% due 07/01/2037	2,775	2,803
		4,468
ILLINOIS 8.8%		
Chicago, Illinois Motor Fuel Tax Revenue Bonds, (AGC Insured), Series 2008		
5.000% due 01/01/2038	1,250	1,331
Chicago, Illinois Special Assessment Bonds, Series 2003		
6.625% due 12/01/2022	2,277	2,281
6.750% due 12/01/2032	5,406	5,415
Hillside Village, Illinois Tax Allocation Bonds, Series 2008		
6.550% due 01/01/2020	3,495	3,874
7.000% due 01/01/2028	2,900	3,212
Illinois Finance Authority Revenue Bonds, Series 2007		
5.750% due 05/15/2031	2,500	2,580
6.000% due 03/01/2037 ^	250	50
Illinois Finance Authority Revenue Bonds, Series 2009		
5.500% due 07/01/2037 (c)	5,000	5,819
7.125% due 11/15/2037	700	842
Illinois Finance Authority Revenue Bonds, Series 2010		
6.000% due 05/01/2028	2,000	2,286
Illinois Sports Facilities Authority Revenue Bonds, (AMBAC Insured), Series 2001		
5.500% due 06/15/2030	37,000	38,317
		66,007
INDIANA 0.7%		
Indiana Finance Authority Revenue Bonds, Series 2009		
6.000% due 08/01/2039	1,500	1,750
Vigo County, Indiana Hospital Authority Revenue Bonds, Series 2007		
5.800% due 09/01/2047	990	1,002
Vigo County, Indiana Hospital Authority Revenue Bonds, Series 2011		
7.500% due 09/01/2022	1,900	2,329
		5,081
IOWA 3.4%		
Iowa Finance Authority Revenue Bonds, Series 2007		
6.750% due 11/15/2042	\$ 4,500	\$ 4,783
Iowa Finance Authority Revenue Bonds, Series 2013		
5.250% due 12/01/2025	6,000	6,353

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Iowa Finance Authority Revenue Bonds, Series 2014		
2.000% due 05/15/2056	144	1
2.700% due 11/15/2046	769	308
Iowa Finance Authority Revenue Notes, Series 2013		
5.500% due 12/01/2022	5,000	5,237
Iowa Tobacco Settlement Authority Revenue Bonds, Series 2005		
5.600% due 06/01/2034	10,350	9,111
		25,793

KANSAS 0.2%

Kansas Development Finance Authority Revenue Bonds, Series 2009		
5.750% due 11/15/2038	500	575
Manhattan, Kansas Revenue Bonds, Series 2007		
5.000% due 05/15/2036	850	851
		1,426

KENTUCKY 0.1%

Kentucky Economic Development Finance Authority Revenue Bonds, Series 2010		
6.375% due 06/01/2040	1,000	1,154

LOUISIANA 1.1%

Louisiana Local Government Environmental Facilities & Community Development Authority Revenue Bonds, Series 2010		
5.875% due 10/01/2040	750	861
6.000% due 10/01/2044	1,000	1,153
6.500% due 11/01/2035	450	542
Louisiana Public Facilities Authority Revenue Bonds, Series 2007		
5.500% due 05/15/2047	3,300	3,470
Louisiana Public Facilities Authority Revenue Bonds, Series 2011		
6.500% due 05/15/2037	2,000	2,355
		8,381

MARYLAND 1.9%

Maryland Health & Higher Educational Facilities Authority Revenue Bonds, Series 2008		
6.000% due 01/01/2043	4,050	4,274

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(Unaudited)

November 30, 2014

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Maryland Health & Higher Educational Facilities Authority Revenue Bonds, Series 2010		
6.250% due 01/01/2041	\$ 1,400	\$ 1,579
Maryland Health & Higher Educational Facilities Authority Revenue Bonds, Series 2011		
5.000% due 08/15/2041	2,380	2,575
Maryland Health & Higher Educational Facilities Authority Revenue Bonds, Series 2014		
5.000% due 07/01/2039	5,000	5,507
		13,935
MASSACHUSETTS 1.3%		
Massachusetts Development Finance Agency Revenue Bonds, Series 2007		
6.750% due 10/15/2037	4,610	4,813
Massachusetts Development Finance Agency Revenue Bonds, Series 2010		
7.000% due 07/01/2042	1,000	1,131
7.625% due 10/15/2037	565	629
Massachusetts State College Building Authority Revenue Bonds, Series 2009		
5.500% due 05/01/2039	2,900	3,366
		9,939
MICHIGAN 0.7%		
Detroit, Michigan General Obligation Bonds, Series 2010		
5.250% due 11/01/2035	1,000	1,101
Michigan Public Educational Facilities Authority Revenue Bonds, Series 2007		
6.500% due 09/01/2037	800	456
Royal Oak Hospital Finance Authority, Michigan Revenue Bonds, Series 2009		
8.250% due 09/01/2039	3,000	3,818
		5,375
MINNESOTA 0.4%		
North Oaks, Minnesota Revenue Bonds, Series 2007		
6.000% due 10/01/2033	2,640	2,835
St Louis Park, Minnesota Revenue Bonds, Series 2009		
5.750% due 07/01/2039	400	447
		3,282
MISSISSIPPI 0.0%		
Mississippi Development Bank Revenue Bonds, (AMBAC Insured), Series 1999		
5.000% due 07/01/2024	40	40
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)

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MISSOURI 1.5%

Lee s Summit, Missouri Tax Allocation Bonds, Series 2011		
5.625% due 10/01/2023	\$ 530	\$ 562
Missouri State Health & Educational Facilities Authority Revenue Bonds, Series 2013		
5.000% due 11/15/2044	10,000	10,887
		11,449

NEVADA 1.4%

Clark County, Nevada General Obligation Bonds, Series 2006		
4.750% due 11/01/2035 (c)	10,000	10,456
		10,456

NEW HAMPSHIRE 0.3%

New Hampshire Business Finance Authority Revenue Bonds, Series 2009		
6.125% due 10/01/2039	2,000	2,237

NEW JERSEY 6.6%

Burlington County, New Jersey Bridge Commission Revenue Bonds, Series 2007		
5.625% due 01/01/2038	950	975
New Jersey Economic Development Authority Revenue Bonds, Series 1998		
6.000% due 05/15/2028	525	305
New Jersey Economic Development Authority Revenue Bonds, Series 2010		
5.875% due 06/01/2042	2,000	2,202
New Jersey Economic Development Authority Special Assessment Bonds, Series 2002		
5.750% due 10/01/2021	4,000	4,467
New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2007		
5.750% due 07/01/2037	1,500	1,536
New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2011		
6.000% due 07/01/2037	1,500	1,792
New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2013		
5.500% due 07/01/2043	4,000	4,633
New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2014		
5.000% due 07/01/2044 (a)	4,000	4,382
New Jersey State Turnpike Authority Revenue Bonds, Series 2009		
5.250% due 01/01/2040	2,000	2,229

See Accompanying Notes

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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Tobacco Settlement Financing Corp., New Jersey Revenue Bonds, Series 2007		
4.625% due 06/01/2026	\$ 1,500	\$ 1,387
4.750% due 06/01/2034	3,300	2,499
5.000% due 06/01/2041	30,105	22,864
		49,271
NEW MEXICO 0.3%		
Farmington, New Mexico Revenue Bonds, Series 2010		
5.900% due 06/01/2040	2,000	2,226
NEW YORK 20.4%		
Hudson Yards Infrastructure Corp., New York Revenue Bonds, Series 2011		
5.250% due 02/15/2047	33,500	37,154
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2011		
5.000% due 11/15/2036	3,880	4,333
Nassau County, New York Industrial Development Agency Revenue Bonds, Series 2014		
2.000% due 01/01/2049	298	42
6.700% due 01/01/2049	825	793
New York City, New York Water & Sewer System Revenue Bonds, Series 2005		
5.000% due 06/15/2037 (c)	2,830	2,898
New York City, New York Water & Sewer System Revenue Bonds, Series 2007		
4.750% due 06/15/2035 (c)	4,000	4,298
New York City, New York Water & Sewer System Revenue Bonds, Series 2009		
5.000% due 06/15/2039	2,000	2,229
New York Liberty Development Corp. Revenue Bonds, Series 2005		
5.250% due 10/01/2035 (c)	11,505	13,797
New York Liberty Development Corp. Revenue Bonds, Series 2010		
5.125% due 01/15/2044	1,000	1,106
5.625% due 07/15/2047	2,500	2,809
6.375% due 07/15/2049	1,250	1,423
New York Liberty Development Corp. Revenue Bonds, Series 2011		
5.000% due 12/15/2041	10,000	11,125
5.750% due 11/15/2051	54,000	62,409
New York Liberty Development Corp. Revenue Bonds, Series 2014		
5.000% due 11/15/2044	6,000	6,108
New York State Dormitory Authority Revenue Bonds, Series 2010		
5.500% due 07/01/2040	1,750	2,008
		152,532
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
NORTH CAROLINA 0.1%		
North Carolina Medical Care Commission Revenue Bonds, Series 2006		
5.100% due 10/01/2030	\$ 550	\$ 554

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NORTH DAKOTA 0.5%

Stark County, North Dakota Revenue Bonds, Series 2007

6.750% due 01/01/2033	3,710	3,923
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OHIO 8.2%

Buckeye Tobacco Settlement Financing Authority, Ohio Revenue Bonds, Series 2007

5.875% due 06/01/2047	14,100	11,541
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6.500% due 06/01/2047	33,740	29,800
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Hamilton County, Ohio Sales Tax Revenue Bonds, Series 2011

5.000% due 12/01/2030	3,900	4,381
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Ohio Higher Educational Facility Commission Revenue Bonds, Series 2009

6.750% due 01/15/2039	1,000	1,008
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Ohio State Revenue Bonds, Series 2009

5.500% due 01/01/2039	3,000	3,374
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Ohio State Turnpike Commission Revenue Bonds, Series 2013

5.000% due 02/15/2048	10,000	10,919
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61,023

OREGON 0.3%

Clackamas County, Oregon Hospital Facility Authority Revenue Bonds, Series 2009

5.500% due 07/15/2035	1,000	1,105
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Oregon Department of Administrative Services State Certificates of Participation Bonds, Series 2009

5.250% due 05/01/2039	1,155	1,291
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2,396

PENNSYLVANIA 8.4%

Berks County, Pennsylvania Municipal Authority Revenue Bonds, Series 2012

5.000% due 11/01/2044	7,500	8,208
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Capital Region Water, Pennsylvania Revenue Bonds, Series 2007

6.000% due 09/01/2036 ^	3,250	1,535
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Cumberland County, Pennsylvania Municipal Authority Revenue Bonds, Series 2008

5.625% due 07/01/2028	1,000	1,044
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6.000% due 07/01/2035	670	702
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See Accompanying Notes

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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Luzerne County, Pennsylvania Industrial Development Authority Revenue Bonds, Series 2009		
5.500% due 12/01/2039	\$ 500	\$ 549
Montgomery County Industrial Development Authority, Pennsylvania Revenue Bonds, (FHA Insured), Series 2010		
5.375% due 08/01/2038	8,465	9,532
Pennsylvania Higher Educational Facilities Authority Revenue Bonds, Series 2010		
5.000% due 03/01/2040	400	438
6.000% due 07/01/2043	850	926
Pennsylvania Turnpike Commission Revenue Bonds, Series 2013		
5.000% due 12/01/2043	10,000	10,995
Philadelphia Hospitals & Higher Education Facilities Authority, Pennsylvania Revenue Bonds, Series 2012		
5.625% due 07/01/2036	1,000	1,070
5.625% due 07/01/2042	7,000	7,450
Philadelphia, Pennsylvania General Obligation Bonds, (AGM Insured), Series 2008		
5.250% due 12/15/2032	17,000	19,047
Philadelphia, Pennsylvania Water & Wastewater Revenue Bonds, Series 2009		
5.250% due 01/01/2036	500	545
Westmoreland County Industrial Development Authority, Pennsylvania Revenue Bonds, Series 2010		
5.125% due 07/01/2030	1,000	1,068
		63,109
RHODE ISLAND 7.5%		
Tobacco Settlement Financing Corp., Rhode Island Revenue Bonds, Series 2002		
6.250% due 06/01/2042	56,200	56,213
SOUTH CAROLINA 2.9%		
Greenwood County, South Carolina Revenue Bonds, Series 2009		
5.375% due 10/01/2039	1,000	1,100
South Carolina State Public Service Authority Revenue Bonds, Series 2013		
5.500% due 12/01/2053	10,000	11,326
South Carolina State Public Service Authority Revenue Bonds, Series 2014		
5.500% due 12/01/2054	8,000	9,062
		21,488
TENNESSEE 1.9%		
Claiborne County, Tennessee Industrial Development Board Revenue Bonds, Series 2009		
6.625% due 10/01/2039	\$ 1,750	\$ 1,940
Johnson City Health & Educational Facilities Board, Tennessee Revenue Bonds, Series 2010		
6.000% due 07/01/2038	1,000	1,134
Sullivan County, Tennessee Health Educational & Housing Facilities Board Revenue Bonds, Series 2006		
5.250% due 09/01/2036	500	523
Tennessee Energy Acquisition Corp. Revenue Bonds, Series 2006		
5.000% due 02/01/2023	3,000	3,474
5.000% due 02/01/2027	6,000	6,948

14,019

TEXAS 20.6%

Aubrey Independent School District, Texas General Obligation Bonds, (PSF Insured), Series 2002		
5.500% due 02/15/2033	130	130
Austin Trust, Texas General Obligation Bonds, Series 2007		
4.750% due 04/01/2036 (c)	17,500	18,332
Dallas, Texas Revenue Bonds, (AGC Insured), Series 2009		
5.250% due 08/15/2038	2,500	2,764
Grand Parkway Transportation Corp., Texas Revenue Bonds, Series 2013		
5.000% due 04/01/2053	21,000	23,022
Harris County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2009		
5.250% due 10/01/2029	3,750	4,353
5.500% due 10/01/2039	12,700	14,336
HFDC of Central Texas, Inc. Revenue Bonds, Series 2006		
5.500% due 02/15/2037	700	704
North Harris County, Texas Regional Water Authority Revenue Bonds, Series 2008		
5.250% due 12/15/2033	10,300	11,570
5.500% due 12/15/2038	10,300	11,686
North Texas Tollway Authority Revenue Bonds, Series 2008		
5.625% due 01/01/2033	5,000	5,529
5.750% due 01/01/2033	1,200	1,329
North Texas Tollway Authority Revenue Bonds, Series 2011		
5.000% due 01/01/2038	5,750	6,228
5.500% due 09/01/2041	1,300	1,515
San Juan Higher Education Finance Authority, Texas Revenue Bonds, Series 2010		
6.700% due 08/15/2040	250	299

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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Tarrant County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2009		
6.250% due 11/15/2029	\$ 3,000	\$ 3,489
Texas Municipal Gas Acquisition & Supply Corp. Revenue Bonds, Series 2008		
6.250% due 12/15/2026	19,380	23,995
Texas Municipal Gas Acquisition & Supply Corp. Revenue Bonds, Series 2012		
5.000% due 12/15/2026	5,000	5,566
Texas State General Obligation Bonds, Series 2005		
4.750% due 04/01/2035 (c)	10,025	10,302
Texas State General Obligation Bonds, Series 2010		
9.038% due 04/01/2037 (d)	5,365	6,369
Texas State Public Finance Authority Charter School Finance Corp. Revenue Bonds, Series 2007		
5.875% due 12/01/2036	1,000	1,099
Wise County, Texas Revenue Bonds, Series 2011		
8.000% due 08/15/2034	1,000	1,186
		153,803

VIRGINIA 0.3%

Fairfax County, Virginia Industrial Development Authority Revenue Bonds, Series 2009		
5.500% due 05/15/2035	1,000	1,147
James City County, Virginia Economic Development Authority Revenue Bonds, Series 2013		
2.000% due 10/01/2048 ^	412	13
6.000% due 06/01/2043	1,273	1,191
		2,351

WASHINGTON 2.3%

Washington Health Care Facilities Authority Revenue Bonds, (AGC Insured), Series 2008		
6.000% due 08/15/2039	1,300	1,537
Washington Health Care Facilities Authority Revenue Bonds, Series 2007		
6.125% due 08/15/2037	13,000	14,287
Washington Health Care Facilities Authority Revenue Bonds, Series 2009		
7.375% due 03/01/2038	1,000	1,264
		17,088

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
WEST VIRGINIA 0.6%		
West Virginia Economic Development Authority Revenue Bonds, Series 2010		
5.375% due 12/01/2038	\$ 2,000	\$ 2,201
West Virginia Hospital Finance Authority Revenue Bonds, Series 2011		
9.125% due 10/01/2041	1,955	2,156
		4,357

WISCONSIN 0.2%

Wisconsin Health & Educational Facilities Authority Revenue Bonds, Series 2009		
6.625% due 02/15/2039	1,000	1,178

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Total Municipal Bonds & Notes (Cost \$1,022,123)		1,131,351
 SHORT-TERM INSTRUMENTS 2.5%		
SHORT-TERM NOTES 2.5%		
Federal Home Loan Bank		
0.066% due 03/25/2015	4,500	4,499
0.091% due 03/13/2015	7,000	6,998
0.096% due 03/06/2015	6,800	6,799
		18,296
Total Short-Term Instruments (Cost \$18,296)		18,296
Total Investments in Securities (Cost \$1,040,419)		1,149,647
Total Investments 153.7% (Cost \$1,040,419)	\$	1,149,647
Preferred Shares (49.1%)		(367,000)
Other Assets and Liabilities, net (4.6%)		(34,540)
Net Assets Applicable to Common Shareholders 100.0%	\$	748,107

NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS):

^ Security is in default.

(a) When-issued security.

(b) Security becomes interest bearing at a future date.

(c) Residual Interest Bonds held in trust Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.

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(d) **Inverse Floater** The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index. The interest rate disclosed reflects the rate in effect on November 30, 2014.

FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of November 30, 2014 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 11/30/2014
Investments in Securities, at Value				
Municipal Bonds & Notes				
Alabama	\$ 0	\$ 33,880	\$ 0	\$ 33,880
Arizona	0	93,333	0	93,333
California	0	150,118	0	150,118
Colorado	0	16,968	0	16,968
Connecticut	0	2,575	0	2,575
Florida	0	59,923	0	59,923
Georgia	0	4,468	0	4,468
Illinois	0	66,007	0	66,007
Indiana	0	5,081	0	5,081
Iowa	0	25,793	0	25,793
Kansas	0	1,426	0	1,426
Kentucky	0	1,154	0	1,154
Louisiana	0	8,381	0	8,381
Maryland	0	13,935	0	13,935
Massachusetts	0	9,939	0	9,939
Michigan	0	5,375	0	5,375
Minnesota	0	3,282	0	3,282
Mississippi	0	40	0	40
Missouri	0	11,449	0	11,449
Nevada	0	10,456	0	10,456
New Hampshire	0	2,237	0	2,237
New Jersey	0	49,271	0	49,271
New Mexico	0	2,226	0	2,226
New York	0	151,697	835	152,532
North Carolina	0	554	0	554
North Dakota	0	3,923	0	3,923
Ohio	0	61,023	0	61,023
Oregon	0	2,396	0	2,396
Pennsylvania	0	63,109	0	63,109
Rhode Island	0	56,213	0	56,213
South Carolina	0	21,488	0	21,488
Tennessee	0	14,019	0	14,019
Texas	0	153,803	0	153,803
Virginia	0	2,351	0	2,351
Washington	0	17,088	0	17,088
West Virginia	0	4,357	0	4,357
Wisconsin	0	1,178	0	1,178

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Short-Term Instruments				
Short-Term Notes	0	18,296	0	18,296
Total Investments	\$ 0	\$ 1,148,812	\$ 835	\$ 1,149,647

There were no significant transfers between Level 1, 2, and 3 during the period ended November 30, 2014.

See Accompanying Notes

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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 169.8%		
MUNICIPAL BONDS & NOTES 164.7%		
CALIFORNIA 158.5%		
Alhambra, California Revenue Bonds, Series 2010		
7.625% due 01/01/2040	\$ 2,000	\$ 2,179
California County Tobacco Securitization Agency Revenue Bonds, Series 2002		
5.875% due 06/01/2043	1,800	1,800
California County Tobacco Securitization Agency Revenue Bonds, Series 2006		
5.600% due 06/01/2036	1,500	1,312
California Health Facilities Financing Authority Revenue Bonds, (NPFGC/IBC Insured), Series 2007		
5.000% due 11/15/2042	4,220	4,505
California Health Facilities Financing Authority Revenue Bonds, Series 2007		
5.250% due 11/15/2046 (a)	12,195	13,064
California Health Facilities Financing Authority Revenue Bonds, Series 2008		
5.250% due 11/15/2040	3,700	4,269
California Health Facilities Financing Authority Revenue Bonds, Series 2009		
5.750% due 09/01/2039	250	285
6.000% due 07/01/2039	3,000	3,422
6.500% due 11/01/2038	500	612
California Health Facilities Financing Authority Revenue Bonds, Series 2011		
5.000% due 08/15/2035	1,000	1,115
California Health Facilities Financing Authority Revenue Bonds, Series 2012		
5.000% due 11/15/2034	1,000	1,080
5.000% due 11/15/2040	4,000	4,424
5.000% due 08/15/2051	8,755	9,628
California Infrastructure & Economic Development Bank Revenue Bonds, Series 2008		
5.250% due 02/01/2038	175	190
California Infrastructure & Economic Development Bank Revenue Bonds, Series 2013		
5.000% due 02/01/2039	10,000	11,109
California Municipal Finance Authority Revenue Bonds, Series 2011		
7.750% due 04/01/2031	1,130	1,386
California Pollution Control Financing Authority Revenue Bonds, Series 2010		
5.250% due 08/01/2040	1,500	1,616
California State General Obligation Bonds, Series 2006		
5.000% due 09/01/2031	2,500	2,680
California State General Obligation Bonds, Series 2009		
6.000% due 04/01/2038	10,000	11,783
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
California State General Obligation Bonds, Series 2013		
5.000% due 11/01/2043	\$ 7,000	\$ 7,895
California State Public Works Board Revenue Bonds, Series 2008		
5.000% due 03/01/2033	7,915	9,027
California State Public Works Board Revenue Bonds, Series 2009		
5.750% due 10/01/2030	3,000	3,555
6.000% due 11/01/2034	2,000	2,364
California State Public Works Board Revenue Bonds, Series 2011		
5.000% due 12/01/2029	2,000	2,282
California State Public Works Board Revenue Bonds, Series 2013		
5.000% due 03/01/2038	2,500	2,782

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California Statewide Communities Development Authority Revenue Bonds, (FGIC Insured), Series 2007		
5.750% due 07/01/2047	3,700	4,106
California Statewide Communities Development Authority Revenue Bonds, (FHA Insured), Series 2009		
6.625% due 08/01/2029	2,135	2,598
6.750% due 02/01/2038	7,860	9,444
California Statewide Communities Development Authority Revenue Bonds, Series 2006		
5.000% due 11/01/2029	500	504
California Statewide Communities Development Authority Revenue Bonds, Series 2007		
5.150% due 07/01/2030	250	252
5.250% due 07/01/2042	1,250	1,234
California Statewide Communities Development Authority Revenue Bonds, Series 2008		
5.250% due 11/15/2048	5,490	5,941
5.500% due 07/01/2031	3,040	3,378
California Statewide Communities Development Authority Revenue Bonds, Series 2010		
7.000% due 07/01/2040	3,760	4,191
7.500% due 06/01/2042	1,000	1,113
California Statewide Communities Development Authority Revenue Bonds, Series 2011		
6.000% due 08/15/2042	5,600	6,711
California Statewide Communities Development Authority Revenue Bonds, Series 2012		
5.000% due 04/01/2042	9,705	10,684
5.375% due 05/15/2038	4,500	5,030
Chabot-Las Positas Community College District, California General Obligation Bonds, (AMBAC Insured), Series 2006		
0.000% due 08/01/2036	17,305	5,885
0.000% due 08/01/2037	5,000	1,613
0.000% due 08/01/2043	15,000	3,555

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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Chula Vista, California Revenue Bonds, Series 2004		
5.875% due 02/15/2034	\$ 1,000	\$ 1,188
Coronado Community Development Agency, California Tax Allocation Bonds, (AMBAC Insured), Series 2005		
4.875% due 09/01/2035	8,685	8,926
Desert Community College District, California General Obligation Bonds, (AGM Insured), Series 2007		
0.000% due 08/01/2046	25,000	4,726
Desert Community College District, California General Obligation Bonds, (AGM Insured), Series 2009		
9.519% due 08/01/2032 (b)	6,035	7,134
Fremont Community Facilities District No. 1, California Special Tax Bonds, Series 2005		
5.300% due 09/01/2030	1,440	1,447
Golden State, California Tobacco Securitization Corp. Revenue Bonds, (AMBAC Insured), Series 2005		
5.000% due 06/01/2045	13,885	14,172
Golden State, California Tobacco Securitization Corp. Revenue Bonds, (FGIC Insured), Series 2005		
5.000% due 06/01/2045	6,000	6,124
Golden State, California Tobacco Securitization Corp. Revenue Bonds, Series 2005		
5.000% due 06/01/2045	3,500	3,572
Golden State, California Tobacco Securitization Corp. Revenue Bonds, Series 2007		
5.125% due 06/01/2047	8,500	6,493
5.750% due 06/01/2047	37,415	31,365
Imperial Irrigation District, California Revenue Bonds, Series 2011		
5.000% due 11/01/2041	4,500	4,971
Irvine Unified School District, California Special Tax Bonds, Series 2010		
6.700% due 09/01/2035	515	619
JPMorgan Chase Putters/Drivers Trust, California Revenue Bonds, Series 2009		
5.000% due 07/01/2037 (a)	5,000	5,494
JPMorgan Chase Putters/Drivers Trust, California Revenue Bonds, Series 2010		
9.489% due 05/15/2034 (b)	7,500	9,080
JPMorgan Chase Putters/Drivers Trust, California Revenue Notes, Series 2009		
5.000% due 04/01/2039 (a)	20,000	22,845
Lancaster Redevelopment Agency, California Tax Allocation Bonds, Series 2009		
6.875% due 08/01/2039	1,000	1,228
Long Beach Bond Finance Authority, California Revenue Bonds, Series 2007		
5.500% due 11/15/2037	7,500	9,153
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Long Beach Unified School District, California General Obligation Bonds, Series 2009		
5.250% due 08/01/2033 (a)	\$ 10,000	\$ 11,344
Long Beach, California Airport System Revenue Bonds, Series 2010		
5.000% due 06/01/2040	500	532
Los Angeles Community College District, California General Obligation Bonds, Series 2009		
14.038% due 08/01/2033 (b)	4,000	5,346
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2005		
4.750% due 07/01/2030 (a)	15,000	15,335
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2012		
5.000% due 07/01/2036	3,000	3,439
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2014		
5.000% due 07/01/2043	3,000	3,405
Los Angeles Unified School District, California General Obligation Bonds, Series 2009		
5.000% due 01/01/2034	11,000	12,447
M-S-R Energy Authority, California Revenue Bonds, Series 2009		
6.500% due 11/01/2039	7,175	9,819
Manteca Redevelopment Agency, California Tax Allocation Bonds, (AMBAC Insured), Series 2004		

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5.000% due 10/01/2036	10,000	10,078
Oakland Unified School District/Alameda County, California General Obligation Bonds, Series 2009		
6.125% due 08/01/2029	5,000	5,679
Palomar Health, California Certificates of Participation Bonds, Series 2009		
6.750% due 11/01/2039	4,750	5,078
Placentia-Yorba Linda Unified School District, California Certificates of Participation Bonds, (FGIC Insured), Series 2006		
5.000% due 10/01/2032	10,000	10,317
Poway Unified School District, California General Obligation Bonds, Series 2011		
0.000% due 08/01/2040	11,000	3,538
0.000% due 08/01/2046	16,000	3,779
Ross Valley School District, California General Obligation Bonds, Series 2012		
5.000% due 08/01/2042	1,375	1,549
San Diego Community College District, California General Obligation Notes, Series 2009		
10.054% due 02/01/2017 (b)	5,000	6,469
San Diego Public Facilities Financing Authority Sewer, California Revenue Bonds, Series 2009		
5.250% due 05/15/2039	1,000	1,142
San Diego Public Facilities Financing Authority Water, California Revenue Bonds, Series 2009		
5.250% due 08/01/2038	4,000	4,470

See Accompanying Notes

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Table of Contents**Schedule of Investments PIMCO California Municipal Income Fund II (Cont.)**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
San Diego Regional Building Authority, California Revenue Bonds, Series 2009		
5.375% due 02/01/2036	\$ 2,800	\$ 3,150
San Diego Unified School District, California General Obligation Bonds, (AGM Insured), Series 2005		
4.750% due 07/01/2027	2,800	2,901
San Francisco, California City & County Certificates of Participation Bonds, Series 2009		
5.250% due 04/01/2031	300	339
San Jose, California Hotel Tax Revenue Bonds, Series 2011		
6.500% due 05/01/2036	1,000	1,225
San Marcos Unified School District, California General Obligation Bonds, Series 2011		
5.000% due 08/01/2038	1,300	1,436
Santa Cruz County, California Certificates of Participation Bonds, Series 2002		
5.250% due 08/01/2032	1,260	1,264
Santa Cruz County, California Redevelopment Agency Tax Allocation Bonds, Series 2009		
7.000% due 09/01/2036	1,500	1,757
Torrance, California Revenue Bonds, Series 2010		
5.000% due 09/01/2040	3,100	3,328
Turlock Irrigation District, California Revenue Bonds, Series 2011		
5.500% due 01/01/2041	1,700	1,947
Tustin Unified School District, California Special Tax Bonds, Series 2010		
6.000% due 09/01/2040	1,000	1,115
Washington Township Health Care District, California General Obligation Bonds, Series 2013		
5.000% due 08/01/2043	3,000	3,294
		444,662
NEW JERSEY 1.2%		
Tobacco Settlement Financing Corp., New Jersey Revenue Bonds, Series 2007		
4.750% due 06/01/2034	1,300	985
5.000% due 06/01/2041	3,000	2,278
		3,263
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
NEW YORK 1.1%		
New York Liberty Development Corp. Revenue Bonds, Series 2005		
5.250% due 10/01/2035	\$ 1,250	\$ 1,499
TSASC, Inc., New York Revenue Bonds, Series 2006		
5.000% due 06/01/2034	1,900	1,595
		3,094
RHODE ISLAND 3.9%		
Tobacco Settlement Financing Corp., Rhode Island Revenue Bonds, Series 2002		
6.250% due 06/01/2042	11,000	11,003
Total Municipal Bonds & Notes (Cost \$398,696)		462,022

SHORT-TERM INSTRUMENTS 5.1%**REPURCHASE AGREEMENTS (c) 1.4%**

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		4,000
SHORT-TERM NOTES 3.7%		
Fannie Mae		
0.071% due 04/27/2015	2,200	2,199
Federal Home Loan Bank		
0.091% due 03/13/2015	8,200	8,198
		10,397
Total Short-Term Instruments (Cost \$14,397)		14,397
Total Investments in Securities (Cost \$413,093)		476,419
Total Investments 169.8% (Cost \$413,093)	\$	476,419
Preferred Shares (58.1%)		(163,000)
Other Assets and Liabilities, net (11.7%)		(32,821)
Net Assets Applicable to Common Shareholders 100.0%	\$	280,598

NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS):

- (a) **Residual Interest Bonds held in trust** Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- (b) **Inverse Floater** The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index. The interest rate disclosed reflects the rate in effect on November 30, 2014.

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(Unaudited)

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BORROWINGS AND OTHER FINANCING TRANSACTIONS**(c) REPURCHASE AGREEMENTS:**

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral Received, at Value	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received ⁽¹⁾
JPS	0.170%	11/28/2014	12/01/2014	\$ 4,000	Federal Farm Credit Bank 0.175% due 03/29/2017	\$ (4,094)	\$ 4,000	\$ 4,000
Total Repurchase Agreements						\$ (4,094)	\$ 4,000	\$ 4,000

⁽¹⁾ Includes accrued interest.**BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY**

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral (received)/pledged as of November 30, 2014:

Counterparty	Repurchase Agreement Proceeds to be Received	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Payable for Short Sales	Total Borrowings and Other Financing Transactions	Collateral (Received)/Pledged	Net Exposure ⁽²⁾
Global/Master Repurchase Agreement							
JPS	\$ 4,000	\$ 0	\$ 0	\$ 0	\$ 4,000	\$ (4,094)	\$ (94)
Total Borrowings and Other Financing Transactions	\$ 4,000	\$ 0	\$ 0	\$ 0			

⁽²⁾ Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 6, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of November 30, 2014 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 11/30/2014
Investments in Securities, at Value				
Municipal Bonds & Notes				
California	\$ 0	\$ 444,662	\$ 0	\$ 444,662
New Jersey	0	3,263	0	3,263
New York	0	3,094	0	3,094
Rhode Island	0	11,003	0	11,003
Short-Term Instruments				
Repurchase Agreements	0	4,000	0	4,000
Short-Term Notes	0	10,397	0	10,397
Total Investments	\$ 0	\$ 476,419	\$ 0	\$ 476,419

There were no significant transfers between Level 1, 2, and 3 during the period ended November 30, 2014.

See Accompanying Notes

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Schedule of Investments PIMCO New York Municipal Income Fund II

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 167.9%		
MUNICIPAL BONDS & NOTES 165.7%		
FLORIDA 0.9%		
Clearwater, Florida Water & Sewer Revenue Bonds, Series 2009		
5.250% due 12/01/2039	\$ 1,000	\$ 1,136
LOUISIANA 0.9%		
East Baton Rouge Sewerage Commission, Louisiana Revenue Bonds, Series 2009		
5.250% due 02/01/2039	1,000	1,115
NEW YORK 157.7%		
Build NYC Resource Corp., New York Rev		